



The Benefits of the Patent Prosecution Highway

PPH User Symposium

February 23, 2012

Tokyo, Japan



Discussion Topics

Presentation

- PPH Benefits
- PPH Cost Savings Data
- PPH Requests at the USPTO
- PPH Improvements

Additional Information

- USPTO PPH Statistics



PPH Benefits

- PPH continues to deliver benefits to the offices and users
- PPH results compared with all cases as of January 31, 2012:

| | Paris-PPH | PCT-PPH | All Cases |
|--|------------------|----------------|------------------|
| Grant Rate (Allowances/Total Number of Disposals) | 87% | 91% | 49% |
| Actions per Disposal | 2.3 | 1.61 | 2.6 |



PPH Benefits

- Reduced Rates of RCE Filings
 - About 11% currently
 - Overall rate = about 31%
- Reduced Rates of Appeal
 - About 0.3% currently
 - Overall rate = about 2.5%



PPH Cost Savings Data

- Fewer office actions means fewer replies/amendments
 - Assuming reply/amendment of minimal complexity
- Average Cost Savings per Action from Using PPH = \$2086
(Source: AIPLA Report of the Economic Survey, 2011)

So—

For each non-PPH application: ($\$2086/\text{response} \times 2.6 \text{ actions}$) = \$5424 in costs

For a Paris-route PPH application: ($\$2086 \times 2.3 \text{ actions}$) = \$4797 → **\$627 SAVINGS**

For a PCT-PPH application: ($\$2086 \times 1.61 \text{ actions}$) = \$3358 → **\$2066 SAVINGS**

- **Notes:**
 - Does not include client overhead savings or local law firm fee savings for response to Action
 - Does not consider fewer RCEs and Appeals (see later slide)
 - Does not consider Fees/Costs for requesting PPH
 - Assumes request fees are equal to savings of client overhead
 - Assumes no government fee (USPTO eliminated fee)
 - Assumes for foreign applicants that the total local and US attorney costs equal the above average of \$2086 per action
 - Thanks to Hung Bui and Alan Kasper of AIPLA for compiling cost savings data



PPH Cost Savings Data

- For replies/amendments of relative complexity

Average Cost Savings per Action = \$2978 - \$3889

So—

Non-PPH applications:

$$\text{Min: } (2.6 \times 2978) = \$7743$$

$$\text{Max: } (2.6 \times 3889) = \$10,111$$

Paris-route PPH applications:

$$\text{Min: } (2.3 \times 2978) = \$6849$$

$$\text{Max: } (2.3 \times 3889) = \$8945 \rightarrow \text{SAVINGS} = \$894 - \$1166/\text{case}$$

PCT-PPH applications:

$$\text{Min: } (1.61 \times \$2978) = \$4795$$

$$\text{Max: } (1.61 \times \$3889) = \$6261 \rightarrow \text{SAVINGS} = \$2948 - \$3850/\text{case}$$



PPH Cost Savings Data

Average Added Cost Savings for RCEs and Appeals from Fees Avoided

- Relevant USPTO Statistics (from prior slide)
 - RCE filing rates: 11% for PPH vs. 31% for non-PPH
 - Appeal rates: 0.3% for PPH vs. 2.5% for non-PPH
- Applicable USPTO Fees
 - RCEs - \$810
 - Appeals - \$1000 (\$500 Appeal and \$500 Brief)
- Cost savings – government fees only
 - RCEs – on average 20% (31% - 11%) of \$810 = \$162
 - Appeals – on average 2.2% (2.5% - 0.3%) of \$1000 = \$22

Total added savings on average = \$184



PPH Cost Savings Data

Hypothetical complex case (assumes high end of cost savings (\$3889 per action) and avoided RCE/appeal filing)

Paris Route PPH Savings:

| | |
|---|---------|
| Savings on Action | \$ 1166 |
| Savings on RCE fees | 810 |
| Savings on Appeal fees | 1000 |
| Savings on Appeal services (without oral argument) | 4931 |

Total savings = \$7907 per application

PCT Route PPH

| | |
|---|--------|
| Savings on Action | \$3850 |
| Savings on RCE fees | 810 |
| Savings on Appeal fees | 1000 |
| Savings on Appeal services (without oral argument) | 4931 |

Total savings = \$10,591 per application



PPH Requests at USPTO

- USPTO goal for cumulative PPH requests in calendar year 2012: 16,000
- Number of requests as of January 31, 2012:

| | |
|--------------|--------------|
| Paris-PPH | 6,537 |
| PCT-PPH | 2,800 |
| Total | 9,337 |



PPH Requests at USPTO

- Requests filed under the **JPO Programs** as of January 31, 2012:

| | |
|--------------|--------------|
| Paris-PPH | 4,824 |
| PCT-PPH | 565 |
| Total | 5,389 |



PPH Requests at USPTO

- In 2010 PPH requests doubled from all previous years combined
- In 2011, requests nearly doubled again
 - 2009: 2,400
 - 2010: 4,850
 - 2011: 8,976
- In 2012, target 16,000



PPH Improvements

- **MOTTAINAI** - Expanded eligibility - de-linking priority
- Original PPH framework based on unidirectional work flow OFF → OSF
- New approach:
 - Eligibility based on available work from a participating office on a patent family member, regardless of order of filing
 - Will give applicants greater flexibility and increase pool of potentially eligible applications
- Pilot began July 15, 2011 and currently 9 office participate



PPH Improvements

- **PPH 2.0** – Simplified requirements to be more user friendly
- Key improvements are:
 - Applicant self-certification of claims correspondence
 - Machine translations of Office actions accepted
 - Examiner use of electronic dossier systems, where available, to access the work done by the earlier office (office actions, prior art cited, etc.)
- Should lead to further reduced costs for applicants while retaining worksharing benefits
- USPTO pilot began January 29, 2012 with other MOTTAINAI offices to follow



Useful Information

- Dedicated USPTO PPH web page (http://www.uspto.gov/patents/init_events/pph/index.jsp) including links to:
 - FAQs
 - PPH “how-to” and informational video
 - Downloadable information brochure
 - Question and feedback e-mail inbox
- PPH information portal site with statistics and other information from all participating offices (<http://www.jpo.go.jp/cgi/linke.cgi?url=/ppph-portal/index.htm>)



Thank you!



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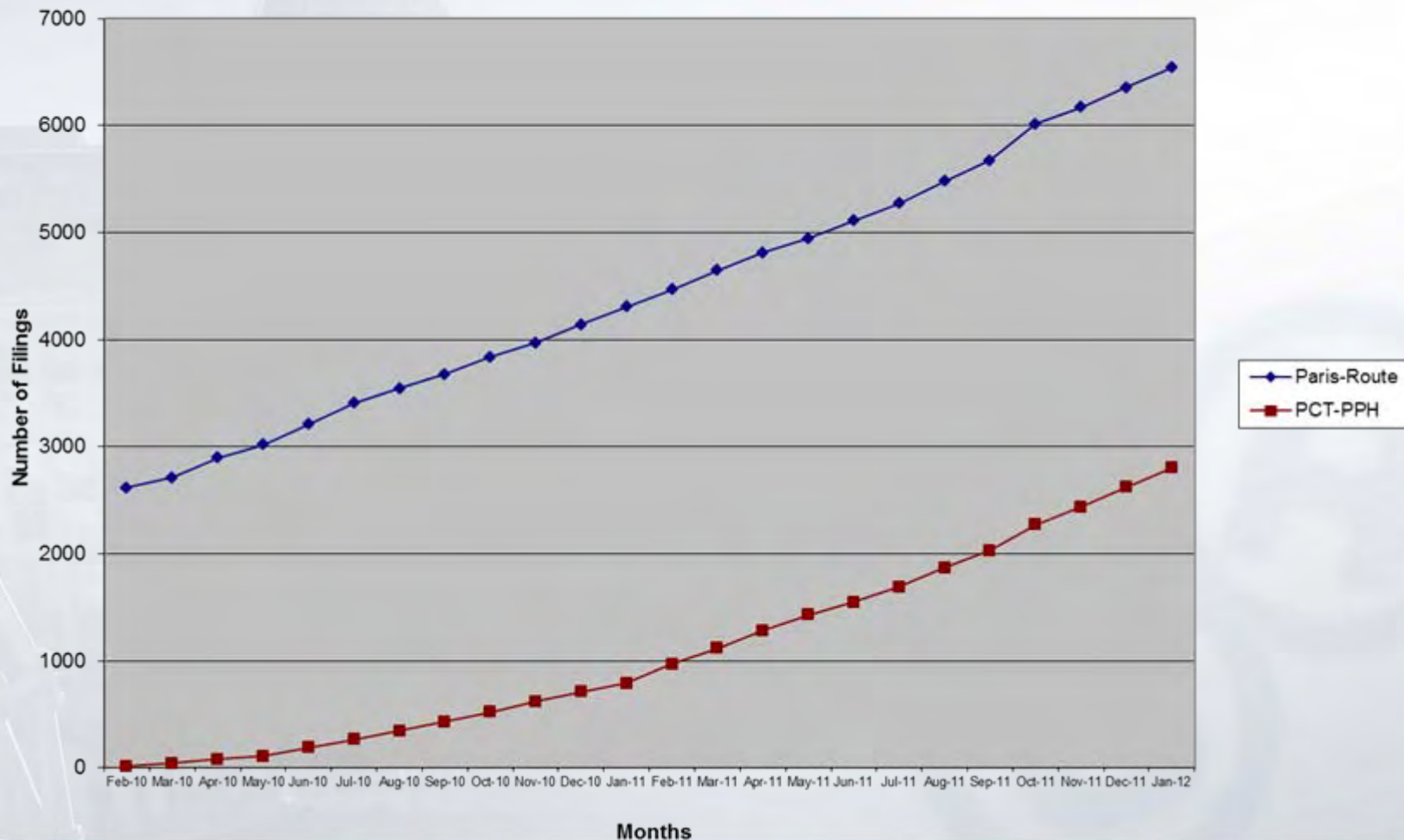
Additional Information

- USPTO PPH Statistics



PPH Statistics at a Glance

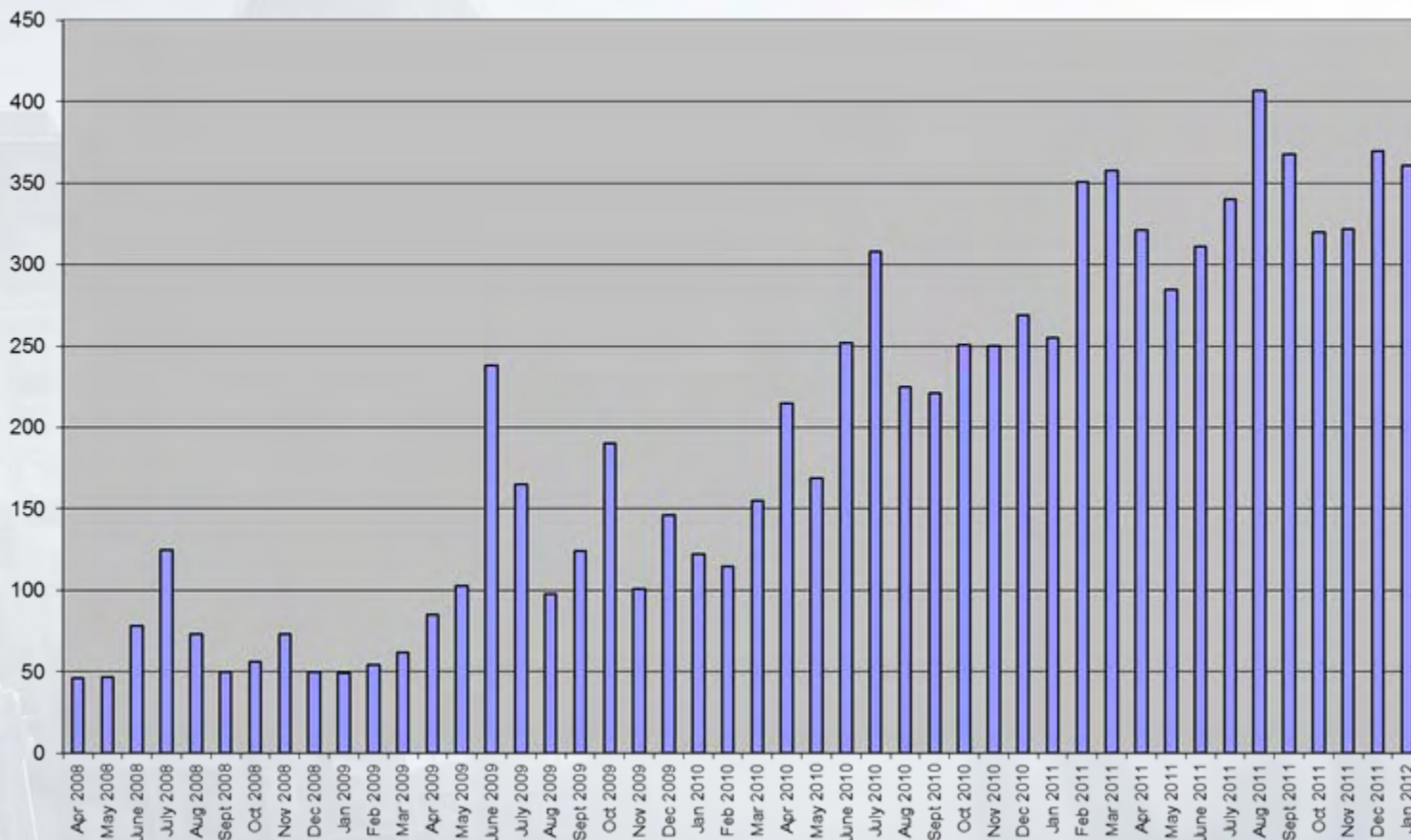
Cumulative Requests by Month





PPH Statistics at a Glance

New PPH Requests by Month-Paris and PCT PPH Combined

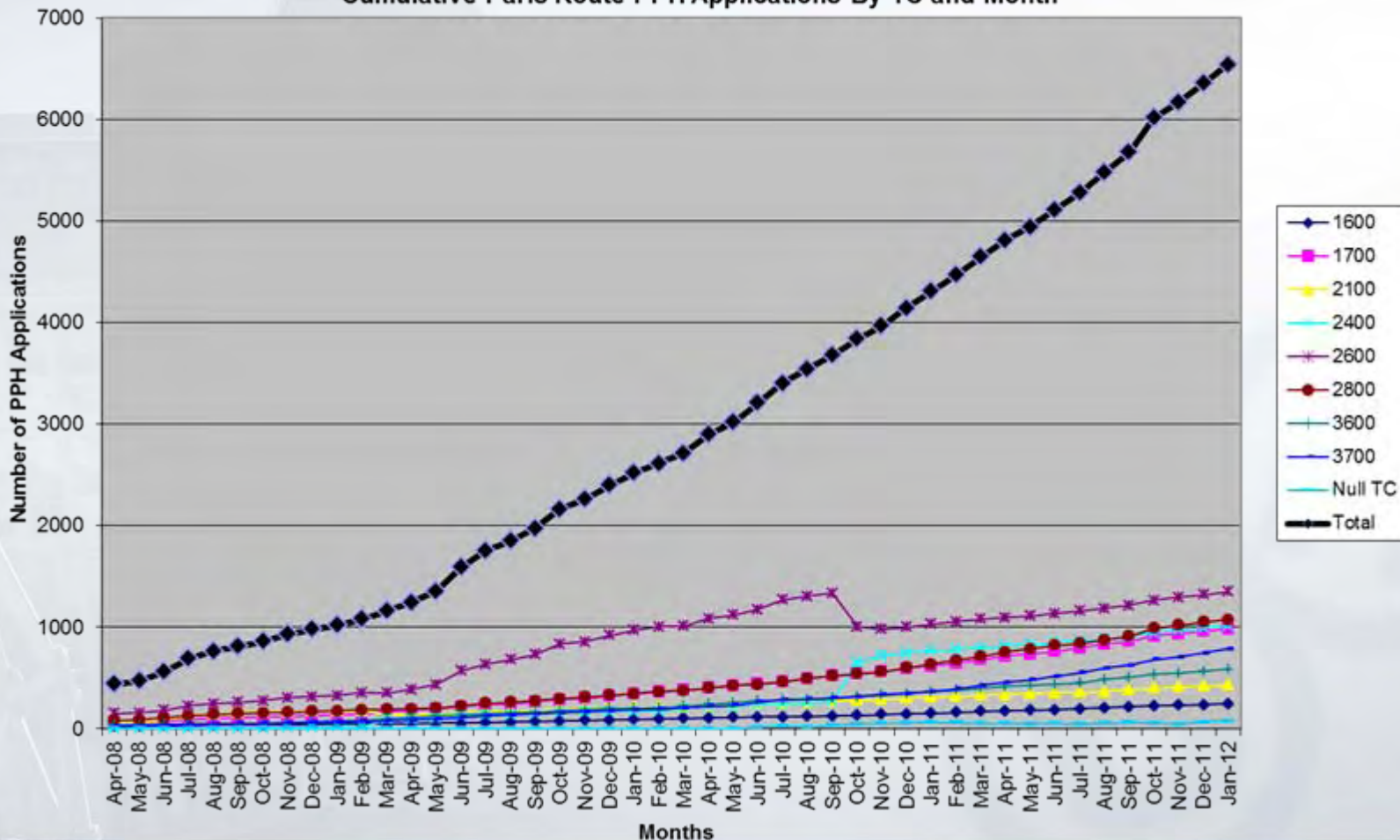




PPH-Paris Route Statistics

By Technology Center

Cumulative Paris Route PPH Applications By TC and Month





PPH-Paris Route Statistics

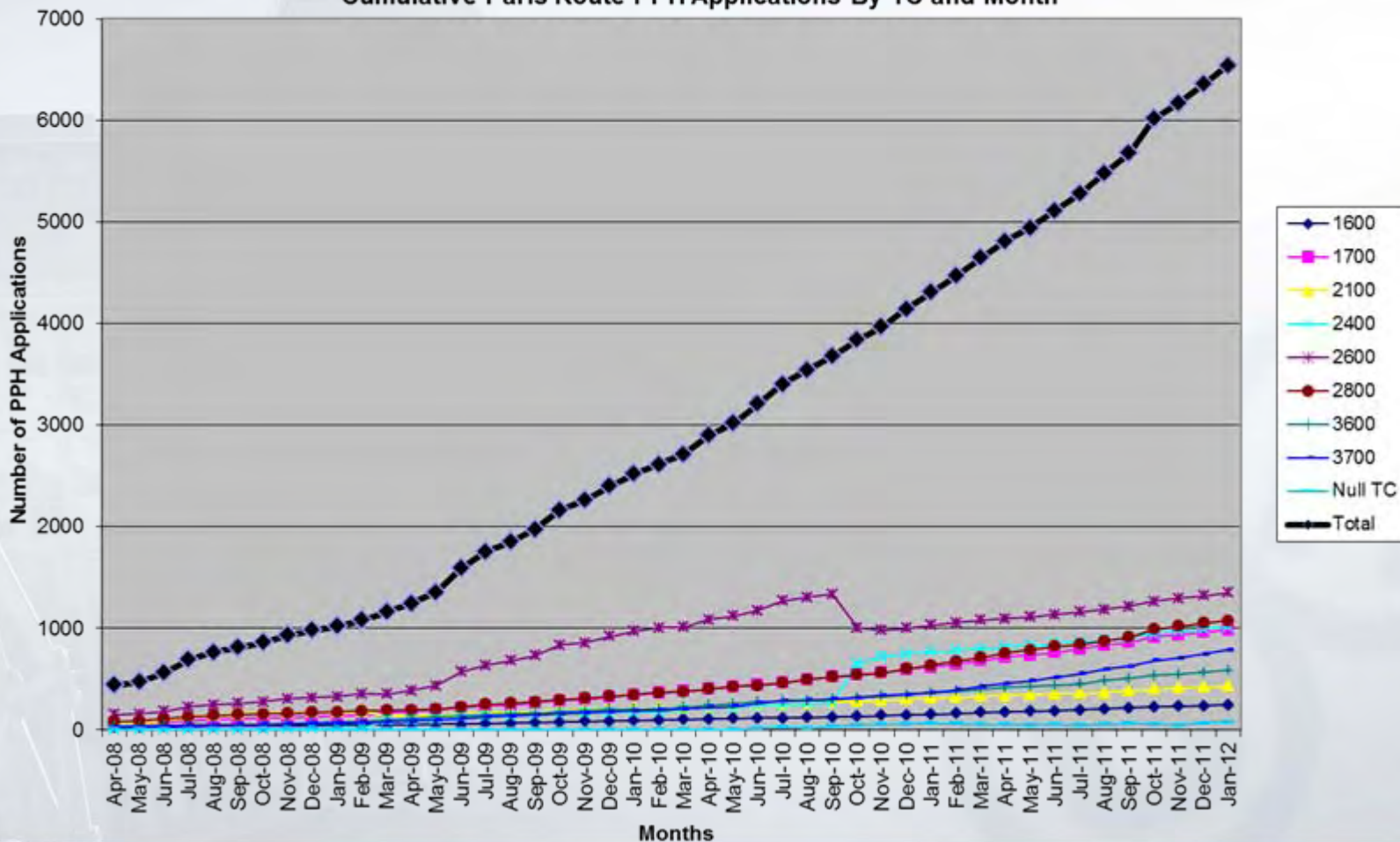
| Technology Center | Number of Requests |
|--|---------------------------|
| 2600 – Communications | 1,348 |
| 2800 – Semiconductors and Electronic Circuits and Components | 1,076 |
| 2400 – Multiplex, Networking, Cable TV and Computer Security | 1,014 |
| 1700 – Chemical and Materials Engineering | 983 |
| 3700 – Mechanical Engineering | 783 |
| 3600 – Mechanical Engineering | 584 |
| 2100 – Computer Architecture, Software and Information Systems | 430 |
| 1600 – Biotechnology and Organic Chemistry | 244 |
| Pre-Exam (No TC) | 75 |



PPH-Paris Route Statistics

By Technology Center

Cumulative Paris Route PPH Applications By TC and Month





PPH-PCT Statistics

| Technology Center | Number of Requests |
|--|---------------------------|
| 3700 – Mechanical Engineering | 543 |
| 1700 – Chemical and Materials Engineering | 462 |
| 2800 – Semiconductors and Electronic Circuits and Components | 452 |
| 3600 – Mechanical Engineering | 386 |
| 2600 – Communications | 224 |
| 1600 – Biotechnology and Organic Chemistry | 205 |
| 2400 – Multiplex, Networking, Cable TV and Computer Security | 194 |
| 2100 – Computer Architecture, Software and Information Systems | 120 |
| Pre-Exam (No TC) | 214 |